AGREEMENT TO TRANSFER REAL PROPERTY

This AGREEMENT TO TRANSFER REAL PROPERTY ("Agreement") is dated ________________, 2015, by and between the TOWN OF CHEBEAGUE ISLAND, a Maine municipal corporation (the "Town"); and GREAT CHEBEAGUE GOLF CLUB, a Maine business corporation (the "Golf Club").

BACKGROUND

The Golf Club owns real estate parcels in the Town, including lots 30, 64, and 66, as approximately indicated on the extract of Town Tax Map 104 in Attachment A.

Sara Anne Holmbom, William Lund and Leslie Realty Trust (the "Abutters") own a parcel of land that is adjacent to property of the Golf Club and which is approximately identified on Attachment A as Lot 65 (the "Abutters’ Parcel").

The Abutters’ septic system and leaching field are located on a portion of the Golf Club’s property.

For years, ferry passengers and other users of the wharf have parallel parked along Stone Wharf Road in the Town, while coming and going from ferry and wharf services.

Public parking along portions of Stone Wharf Road creates an inconvenience to golfers and users of the ferry and wharf services and a potential hazard to persons and property located on or adjacent to the public way.

The Town and the Golf Club want to reduce the inconvenience and potential hazards to golfers and the public by significantly reducing, with the goal of substantially eliminating, parking of vehicles along Wharf Road from its intersection with South Road to the Stone Wharf.

The Golf Club is willing to donate by gift a certain parcel of land to the Town for the purposes set forth in the immediately preceding paragraph.
THE PARTIES THEREFORE AGREE AS FOLLOWS:

Section 1. Transfer of Lot 64; Easement

1.1 Transfer of property to the Town. Upon the Town’s satisfaction of the requirements set forth below, including a metes and bounds survey and engineering study, the Golf Club shall transfer to the Town by quitclaim deed with covenant for One Dollar ($1.00), a portion of the Golf Club’s property consisting of approximately .86 acres and generally described on Attachment A as Lot 64 ("Lot 64"), the actual metes and bounds of the property being transferred and the transfer itself shall be in the form attached as EXHIBIT 1.1, which is made a part of this Agreement by reference.

1.1.1 Transfer of view easement to the Town. Upon the Town’s satisfaction of the requirements set forth below, including a metes and bounds survey and engineering study, the Golf Club shall execute an escrow agreement (ADDENDUM) which will transfer to the Town by quitclaim deed with covenant for One Dollar ($1.00), a view easement between land of the Abutters and the ocean. It is intended that the easement area will be a triangular shape beginning at the southeasterly corner of the Abutters property and extending at a forty-five (45) degree angle from the northeasterly sideline of the Abutters property northerly to the shore. The actual metes and bounds of the easement being transferred and the transfer itself shall be in the form attached as EXHIBIT 1.1.1, which is made a part of this Agreement by reference. The Golf Club shall be prohibited against building a structure within the easement. Upon completion of the Parking Lot, the Town shall grant this easement to the Abutters. The easement will automatically terminate in the event that the Town takes any action that significantly and adversely affects the operation of the golf course in substantially its current form. However, the granting of any such easement is not a requirement of the Golf Club, but, rather, for purposes of this Agreement, is entirely within the Town's sole and absolute discretion.

1.2 Town Conditions. As conditions precedent to the Golf Club’s willingness to transfer Lot 64 to the Town, the Town shall satisfy the following requirements (the “Town Conditions”):

1.2.1. The Town shall approve this Agreement.

1.2.2. The Town shall, by affirmative vote, approve the construction and maintenance of a public Parking Lot as defined in Exhibit 1.1 hereto to be operated on Lot 64 following the Golf Club’s conveyance (the “Parking Lot”), and capable of accommodating approximately 40 full sized vehicles in accordance with federal, state, and local lighting, engineering and construction requirements, as determined by a certified civil engineering study. The final capacity of the Parking Lot shall be determined by mutual agreement of the Town, the Golf Club and the Abutters upon completion of the property survey and engineering study. Such mutual agreement
shall be a condition precedent to the obligations of any party to this Agreement, including the effectiveness of the Option referred to in Section 1.4 below.

1.2.3. The Town shall allocate sufficient funds as are reasonably necessary, in the opinion of the Town, to conduct a property survey and engineering study and, construct the Parking Lot, including fencing and buffering within 24 months of the Golf Course’s transfer of Lot 64.

1.2.4. The Town shall enact such zoning or land use changes as may be required to construct the Parking Lot, fencing and buffering, consistent with the town’s zoning ordinances and comprehensive plan; or, if no such changes are necessary, the Town shall so certify to the Golf Club.

1.3 The Golf Club’s obligations to transfer Lot 64 shall be triggered upon the Town’s delivery to the Golf Club of a written notice that the Town Conditions have been satisfied.

1.4 Option. When the parties sign this Agreement, the Golf Club will simultaneously execute an option granting the Town the exclusive right to acquire Lot 64 for One Dollar ($1.00), in the form attached as Exhibit 1.4., with its Exhibits.

1.5 Closing. The Golf Club shall deliver the deed required by Section 1.1 within 30 days of the Town’s delivery of the notice required by Section 1.3 (the “Closing”), or at such other time as the Town and the Golf Club shall determine. The Closing shall occur at the offices of Brann & Isaacson, 215 Commercial Street, Portland, Maine, or at such other location as the parties may determine. Each party at the Closing shall bear its own costs and attorney’s fees, and the parties will apportion any transfer taxes as required by Maine law. The Town shall pay the recording fees associated with the Golf Club’s deed.

1.6 Easement. Upon the Town’s satisfaction of the requirements set forth below, the Town shall execute an escrow agreement (ADDENDUM) regarding an easement, permitting the Golf Club to continue to maintain the tee box for its 7th Hole, as it is currently configured and located on the Stone Wharf, and approximately indicated in Exhibit 1.6 and the supplements thereto, by delivering to the Golf Club an easement deed in substantially the form attached as Exhibit 1.6. Upon completion of the Parking Lot, the Town shall grant this easement to the Golf Club. The Golf Club shall bear the cost of recording the Easement Deed.

Section 2. License or easement and Determination of Lot 65’s Boundaries

2.1 License or easement to Abutters. Upon the Town’s satisfaction of the requirements set forth below, the Town shall execute an escrow agreement (ADDENDUM) granting a license or easement to the Abutters that permits the continued maintenance of the existing septic system and leaching field serving the single family residence presently located on the Abutters’ Parcel (the “License” or “Easement”). However, the granting of any such license or easement is not a
requirement of the Golf Club, but, rather, for purposes of this Agreement, is entirely within the Town's sole and absolute discretion. The Town may condition the License or Easement upon the Abutters’ maintenance of the existing septic system and leaching field in accordance with Town Ordinances and any other applicable laws or regulations, as well as the Abutters’ satisfaction of such insurance and other requirements as the Town may reasonably request. Upon completion of the Parking Lot, the Town shall grant this license or easement to the Abutters.

2.2. Determination of Boundary Line. Following the signing of this agreement, a boundary survey will be completed of Lot 64 and the property of the Abutters, including the rectangular piece of property to be transferred to the Abutters pursuant to paragraph 2.3, below, and view easements referenced in this agreement and a separate agreement between the Abutters and the Town. In consideration of the Town's agreements set forth in paragraph 2 of the Quitclaim Deed attached hereto as Exhibit 2.3, The Town and Golf Club shall equally share the cost of a boundary survey to be prepared for this purpose by a professional land surveyor licensed by the State of Maine.

2.3. Upon the Town’s satisfaction of the requirements set forth below, the Town shall execute an escrow agreement (ADDENDUM) regarding conveyance to the Abutters, by municipal quitclaim deed in the form attached as Exhibit 2.3, the rectangular piece of property that lies between the Abutters’ residence and Stone Wharf Road, as described in Exhibit ____. Upon completion of the Parking Lot, the transfer shall occur.

2.4. Option. Upon conveyance of land as described herein, the Town will simultaneously execute an option granting the Abutters the exclusive right to acquire the rectangular piece of property between the Abutters’ residence and Stone Wharf Road, in the form attached as Exhibit ____, with its Exhibits; provided, however, the effectiveness of any such option shall be subject to the Golf Club and the Town reaching the mutual agreement referenced in the provisions of paragraph 1.2.2 above.

Section 3. Miscellaneous

3.1 Severability. Should any part of this Agreement be rendered or declared invalid by a court of competent jurisdiction of the State of Maine, such invalidation of such part or portion of this Agreement should not invalidate the remaining portions thereof, and they shall remain in full force and effect.

3.2. Choice of Law. Maine law governs this agreement.

3.3. Dispute Resolution. The parties agree to resolve any dispute arising under this Agreement through binding arbitration, to be conducted in Portland, Maine, by JAMS according to its then-prevailing streamlined arbitration rules. Each party shall bear its
own costs and expenses incurred in the arbitration and the parties shall share equally in the costs of the arbitrator, except that, in its discretion, the arbitrator may award reasonable costs and attorney’s fees to the prevailing party. The arbitrator shall have the authority to grant specific performance of this Agreement, and the prevailing party may ask any Maine court of competent jurisdiction to enforce an order of specific performance. The decision of the arbitrator shall be final, and shall be enforceable in any Maine state or federal court, and any other court of competent jurisdiction under the Uniform Arbitration Act.

3.4 This Agreement may be amended or modified at any time provided that any amendment or modification shall be in writing and shall have received the affirmative vote of a majority of the members of both the Town of Chebeague Island Board of Selectmen and the Great Chebeague Golf Club Board of Directors. Abutters must be notified in writing of proposed amendments or modifications to this agreement at least 30 days before the votes referenced above are taken. The affirmative agreement of the Abutters must also be received regarding any amendments or modifications regarding:

a. Metes and bounds of common boundaries;
b. Conveyance of the land between the road and the home;
c. Continued permission to maintain a leach field on the property

3.4.1 Simultaneous Agreement. Simultaneous with the signing of this agreement, the Town will sign an agreement ("Agreement #2") with the Abutters setting forth additional terms relating to the Parking Lot, including specific requirements for fencing, buffering, lighting and operation of the Parking Lot. This agreement will not be signed unless and until the Abutters and the Town have agreed to sign Agreement #2.

3.5 Notices. All notices required by this Agreement shall be sent by U.S. mail, postage prepaid, and shall be deemed effective when received or refused, if sent to the parties at the following addresses:
If to the Town:

   Town of Chebeague Island  
   192 North Road  
   Chebeague Island, Maine 04017  
   Attn: _______________________

   With a copy to:  
   Brann & Isaacson  
   184 Main Street, P.O. Box 3070  
   Lewiston, Maine 04243-3070  
   Attention: Michael S. Malloy, Esq.

If to the Golf Club:

   Great Chebeague Golf Club  
   16 Stone Wharf Road  
   Chebeague Island, Maine 04017  
   Attn: James C. Hood

If to the Abutters:

   Sara Anne Holmbom, William Lund and Leslie Realty Trust  
   46 Wyoming Avenue  
   Portland, Maine 04103

3.6. **Brokers.** The parties represent and warrant that they did not retain a real estate or other broker in connection with the transactions contemplated by this Agreement, and agree to indemnify and hold one another harmless from all claims and related costs and expenses (including reasonable attorney’s fees), in the event such representation is false.

3.7 **Captions.** The captions, headings and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify or modify the terms and provisions hereof.

3.8 **Interpretation.** No provision of this Agreement shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Agreement.
3.9 **Incorporation of Exhibits.** All exhibits, schedules, and attachments to this Agreement are hereby incorporated herein as though fully set forth in (and shall be deemed to be a part hereof) this Agreement.

3.10 **Third-Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer any rights or remedies upon any person, other than the parties hereto and, subject to the restrictions on assignment herein contained, their respective successors and assigns.

3.11 **Faxed or Electronically Transmitted Signatures.** The parties agree that faxed or electronically transmitted signatures may be used to expedite the transaction contemplated by this Agreement. Each party intends to be bound by its faxed or electronically transmitted signature and each is aware that the other will rely on the faxed or electronically transmitted signature, and each acknowledges such reliance and waives any defenses to the enforcement of the documents effecting the transaction contemplated by this Agreement based on a faxed or electronically transmitted signature.

[**SIGNATURE PAGE FOLLOWS**]
The parties are signing this agreement as of the date stated on page 1.

TOWN OF CHEBEAGUE ISLAND

By: Christopher Loder
Its Chair, Board of Selectmen

GREAT CHEBEAGUE GOLF CLUB

By: James Hood
Its President
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EXHIBIT 1.1.

QUITCLAIM DEED WITH COVENANT

GREAT CHEBEAGUE GOLF CLUB, a Maine corporation with a mailing address of 16 Stone Wharf Road, Chebeague Island, Maine 04017 (“Grantor” or the “Golf Club”), grants to the TOWN OF CHEBEAGUE ISLAND, a Maine municipal corporation with a mailing address of 192 North Road, Chebeague Island, Maine 04017 (“Grantee” or the “Town”), with quitclaim covenant in consideration of One Dollar ($1.00), a certain lot or parcel of land situated in the Town of Chebeague Island, County of Cumberland, and State of Maine, more particularly described in Exhibit A attached hereto and made a part hereof (the “Premises”).

GRANTEE’S CONDITIONS

The Premises are hereby conveyed to the Grantee subject to the following conditions (the “Grantee’s Conditions”):

1. Within 24 months of the date of this instrument, the Grantee shall construct and open a public no-fee Parking Lot capable of accommodating approximately 40 full sized vehicles on the Premises, as certified by a licensed Professional Engineer (the “Parking Lot”). The Grantee shall bear all costs of constructing the Parking Lot, and shall be responsible for obtaining all necessary permitting, subdivision surveys and approvals for its construction. Additionally, after completion of the construction of the Parking Lot the Town may seek to alter a portion of the Parcel to another low impact municipal use such as the installation of a picnic area and stairs to the beach, so long as the Parcel continues to provide parking for approximately forty (40) full sized vehicles. However, should the Parking Lot revert to the Grantor under the terms of these Grantee’s Conditions, the public access easement to the shore shall remain in place.

2. Upon completion of the Parking Lot, the Grantee shall install a sign of a size and containing language reasonably satisfactory to the parties at the intersection of Wharf Road and South Road and at the entrance to the Parking Lot that designates the public parking area and requests the public to park there rather than on Wharf Road.

3. From and after opening the Parking Lot, Grantee shall continue to operate and maintain it between April 1 and October 31 of each year.
4. Grantee shall not be required to clear snow from the Parking Lot, or to otherwise maintain the Parking Lot between November 1 and April 1 of each year.

5. Grantee shall designate representatives, who will confer at least annually with representatives of the Grantor to review the effectiveness of the Grantee’s signs in significantly reducing, with the goal of substantially eliminating, parking of vehicles along Wharf Road and in the event it is reasonably demonstrated that such signs are not effective in achieving that goal, Grantee shall consider and determine other appropriate traffic control mechanisms in an effort to achieve the goal.

6. Grantee shall not use or allow the use of the Premises, through license, consent, grant, lease or otherwise, for any purpose, other than as a Parking Lot.

Grantor shall notify Grantee of any failure of a Grantee’s Condition, by delivering a written notification, stating the grounds therefore, to the Grantee at the offices of the Board of Selectmen or at such other municipal office as the Grantee may establish. The Grantor’s notice shall be effective when received or refused, if delivered in hand or if sent by U.S. mail, postage prepaid, to the attention of the Chair of the Grantee’s Board of Selectmen, or to such other presiding municipal officer as the Grantee may subsequently establish. The Grantee and Grantor shall meet and confer within 30 days of the Grantor’s notice, and shall use their reasonable efforts to negotiate a resolution.

In the event of a failure of Grantee’s Condition #1 (above) OR in the event of a failure of Grantee’s Conditions #2, #3 or #6 (above) within seven (7) years of the completion of construction and opening of the Parking Lot, and if the parties are unable to agree upon a resolution and the Grantee has not reasonably cured the failure of the Grantee’s Condition within 60 days of the Grantor’s notice, the Grantor may record a statement to that effect in the Cumberland County Registry of Deeds, whereupon title to the Premises shall automatically revert to the Grantor free of any lien or encumbrance of the Grantee and the Grantee shall execute any document reasonably required to confirm the said reversion. However, conveyances of record existing as a result of Grantee’s compliance with Section 2 of that certain Agreement to Transfer Real Property dated __________, 2015 by and between Grantor and Grantee shall survive this reversion.

In the event of a failure of Grantee’s Conditions #2, #3 or #6 (above) seven (7) years or more after the completion of construction and opening of the Parking Lot, and if the parties are unable to agree upon a resolution and the Grantee has not reasonably cured the failure of the Grantee’s Condition within 60 days of the Grantor’s notice, the Golf Club shall have the option to purchase the parcel back from the Town for the initial construction costs.
GRANTOR’S CONDITIONS

Notwithstanding the Grantee’s Conditions stated above, if the Grantor shall fail to maintain and operate a golf course within the Town, as indicated by the following conditions (collectively, the “Grantor’s Conditions”), the Grantee’s Conditions shall be removed.

1. The Grantor eliminates any ability of the general public to use its golf course.

2. The Grantor fails to open its golf course for any regular golfing season, except due to acts of God and reasons beyond its control.

3. The Grantor fails to designate a representative(s) to confer with the Grantee as required by the Grantee’s Conditions.

4. The Grantor files Articles of Dissolution with the Maine Secretary of State, or the Maine Secretary of State administratively dissolves the Grantor.

5. The Grantor shall file any petition in bankruptcy, or an involuntary bankruptcy petition shall be filed against the Grantor which the Grantor does not cause to be dismissed within 60 days.

If any of the foregoing Grantor’s Conditions shall occur, the Grantee shall deliver written notification of the failure of the Grantor’s Conditions, stating the grounds therefore, to the Grantor at the address stated above. The Grantee’s notice shall be effective when received or refused, if delivered in hand or if sent by U.S. mail, postage prepaid. The Grantee and Grantor shall meet and confer within 30 days of the Grantee’s notice, and shall use their reasonable efforts to negotiate a resolution. If the parties are unable to agree upon a resolution and the Grantor has not reasonably cured the defect stated in the Grantee’s notice, as well as any other failure of the Grantor’s Conditions, within 60 days of the Grantee’s notice, the Grantee may record a statement to that effect in the Cumberland County Registry of Deeds, whereupon the Grantee’s Conditions shall become void.

RESERVATION OF RIGHT OF FIRST REFUSAL

The Grantor hereby reserves to itself a right of first refusal, permitting it to acquire the Premises from the Grantee as follows:

1. Right of First Refusal. In the event that the Town receives an offer to purchase the Premises from any third party, which the Town desires to accept, or if the
Town otherwise desires to convey its interest in the Premises to a third party, the Town shall first offer its interest in the Premises to the Golf Club by giving notice of same to the Golf Club in the manner provided above. If the Town receives a written offer or enters into a purchase and sale agreement with a third party, a copy of the offer or purchase and sale agreement shall be provided with the notice to the Golf Club as soon as reasonably possible.

2. Exercise of Right of First Refusal. In the event that the Golf Club elects to exercise its right of first refusal to purchase the Premises, the Golf Club shall give notice to the Town in the manner set forth below, within 30 days of the date of the Town’s notice, and the Town and the Golf Club shall close on the transfer of the Premises to the Golf Club within 90 days of the Town’s notice, unless the Town and the Golf Club shall agree otherwise.

3. Sale Price. If the Golf Club exercises its right of first refusal, the sale price for the Premises shall be equal to the lesser of: (a) the total costs and expenditures of the Town in planning and constructing the Parking Lot required by the Grantee’s Conditions stated above; or (b) the purchase price set forth in the offer from or the purchase and sale agreement with the third party.

4. Failure to Exercise Right of First Refusal. If the Golf Club fails to timely exercise its right of first refusal after receiving notice in the manner prescribed herein, the Golf Club shall no longer have any right to purchase the Premises under the terms and conditions provided in the notice, and the Town may convey its interest free and clear of the Golf Club’s rights reserved hereunder, and the rights reserved herein shall no longer encumber the title to the Premises.

5. Affidavit to Clear Title. Any person acquiring title from the Town having no knowledge to the contrary may rely on an affidavit from the Town under oath taken before a notary public and recorded in the Cumberland County Registry of Deeds setting forth evidence of the Town’s compliance with the terms of this agreement, and may acquire the Premises free and clear of the rights of the Golf Club.

[SIGNATURE PAGE FOLLOWS]
Witness the hand and seal of GREAT CHEBEAGUE GOLF CLUB by its duly authorized representative this ____ day of ___________ , 20__. 

GREAT CHEBEAGUE GOLF CLUB

______________________________
By: [Print Name] Its President

STATE OF MAINE
COUNTY OF CUMBERLAND

______________________________, 20__

Personally appeared the above-named ______________________________ , the President of Great Chebeague Golf Club, and acknowledged the above instrument to be his/her free act and deed in his/her said capacities, and the free act and deed of said Great Chebeague Golf Club.

Before me,

______________________________
Notary Public/Attorney-at-Law

______________________________
(Print Name)
SUPPLEMENT A TO EXHIBIT 1.1

[LEGAL DESCRIPTION OF LOT 64 TO BE DETERMINED BY SURVEYOR]
EXHIBIT 1.4
EXCLUSIVE OPTION TO ACQUIRE REAL PROPERTY

This EXCLUSIVE OPTION TO ACQUIRE REAL PROPERTY ("Option") is granted this day of 6{TBD}, by GREAT CHEBEAGUE GOLF CLUB, a Maine corporation with its mailing address at 16 Stone Wharf Road, Chebeague Island, Maine 04017 (the "Golf Club"), in favor of the TOWN OF CHEBEAGUE ISLAND, a Maine municipal corporation with a mailing address of 192 North Road, Chebeague Island, Maine 04017 (the "Town").

1. Grant of Option. In consideration of One Dollar ($1.00), Golf Club grants Town the exclusive and irrevocable right and option until 11:59 P.M. on 6{TBD} ("Expiration Date") at which time this option shall expire, to acquire a lot in fee situated in the Town of Chebeague Island, which is generally identified as Lot 64 on the Town's Tax Map I04, and more particularly described in Schedule A, attached hereto and made a part hereof (the "Premises") in consideration of the Town's execution of an Agreement to Transfer Real Property of even or near date herewith (the "Agreement"). This Option is granted pursuant to Section 1.4 of the Agreement, and the terms of the conditions of the Agreement are incorporated herein by reference.

2. Exercise of Option. The Town shall give notice of the exercise of this Option by mailing notification to the Golf Club that the Town Conditions, as stated in Section 1.2 of the Agreement, have been satisfied. Notice shall be sent in the manner set forth in the Agreement. This Option shall be deemed valid and effectively exercised at time such notice is received or refused by Golf Club.

3. Restrictions. Until the earlier of (a) the Expiration Date, or (b) if the Option has been exercised, the Closing referred to in Paragraph 6 below, Golf Club agrees not to sell, offer to sell, mortgage, encumber, or otherwise transfer or dispose of the Premises or use or alter the Premises in a manner that would adversely affect Town's use of the Premises as a Parking Lot, without the prior written consent of Town.

4. Due Diligence.

(a) After exercise of the Option, Town, and its employees, agents, contractors, subcontractors, assigns and invitees shall have the right to enter upon and examine, investigate, survey, appraise and inspect the Premises, including without limitation the performance of a Phase I and/or Phase II environmental testing, and such other environmental testing as Town shall reasonably and in good faith deem necessary or appropriate. Town's due diligence shall include: (i) assessing environmental conditions, physical nature and condition of the Premises, and (ii) preparing and
making all plans and studies necessary or appropriate for or in connection with the application process for all permits from any and all governmental bodies necessary or advisable by Town and for Town’s proposed use of the Premises. Such activities may include, but shall not be limited to, surveying, soil testing, water monitoring and testing and engineering and environmental studies. All such activities shall be reasonably conducted and shall not unreasonably nor materially waste the land. In the event this Option is not exercised by the Town, the Town shall use its reasonable efforts to return the Premises to the condition it was in prior to such due diligence.

(b) After exercise of the Option, Golf Club will make available to Town, copies of Golf Club’s plans, surveys, inspections and/or maintenance records of the Premises, if any, and any environmental data they possess regarding the Premises, including without limitation any environmental studies or reports (“Golf Club’s Information”). If Town has not completed the purchase of the Premises by the Closing Date, Town shall return Golf Club’s Information and all copies thereof to Golf Club.

(c) After exercise of the Option, the Town shall engage a licensed professional surveyor at its cost and expense to be shared equally by the Town and the Golf Club to prepare a survey of the Premises, including without limitation, a survey necessary for the purposes of establishing a boundary line between the Premises and the adjacent property thereto being retained by the Golf Club, as well as the property adjacent to the Premises and owned by the Abutters, as identified in the Agreement and suitable for use by the Golf Club in any subdivision application required in order for the Premises to be transferred to the Town, such survey to be for the benefit of both the Town and the Golf Club.

(d) Town may conduct an appraisal of the Premises at any time at its sole cost and expense.

5. Closing.

(a) After exercise of the Option, Town and Golf Club shall complete the transfer of the Premises on the Closing Date at a time and place convenient to the parties hereto. Except as otherwise provided herein or in the Agreement, the Town shall be responsible for all expenses and fees incurred in connection with the Closing, except for such expenses as Golf Club incurs for legal and consultant services (if any).

(b) At the Closing, Golf Club shall be required to deliver the following properly executed and acknowledged documents in a form and substance reasonably satisfactory to Town:

(i) Quitclaim Deed with Covenant. A “Quitclaim Deed with Covenant” in substantial conformance with the form attached as Exhibit 1.1.
(ii) **FIRPTA Affidavit and Other Tax Forms.** Golf Club's affidavit, under penalty of perjury, as to Golf Club's U.S. taxpayer identification number and that Golf Club is not a foreign person within the meaning of Section 1445 of the United States Internal Revenue Code. Golf Club shall also deliver such certificates regarding state residency as may be reasonably requested by Town.

(iii) **Title Documents.** Such documents as Town’s title insurance company may reasonably require in order to remove title policy exceptions other than for Permitted Encumbrances, including for parties in possession and mechanics or materialmen’s liens, and including but not limited to affidavits of Golf Club. Evidence reasonably satisfactory to Town of termination or discharge of all third-party agreements, mortgages, negative pledge agreements, licenses, leases, reservations, liens or encumbrances with respect to the Premises other than Permitted Encumbrances, unless otherwise agreed to by Town in writing.

(iv) **Environmental Indemnity.** Golf Club shall deliver to Town a mutually acceptable environmental indemnity agreement which shall indemnify and hold Town harmless against any claims or damages incurred by Town for and respect to any and all environmental conditions on the Premises during the period in which Golf Club owned or controlled the Premises including without limitation the presence of Hazardous Substances, as defined by law, environmental pollution or hazardous waste or other contamination on the Premises and excepting any such damages arising out of or caused by any use of the Parcel by the Abutters. Such indemnity shall survive the Closing.

(v) **Additional Documents.** Such other documents as the parties may agree are reasonably required to close the purchase and sale of the Premises under this Agreement.

(c) Outstanding property taxes with respect to the premises shall be pro-rated and between the parties at Closing. Town and Golf Club shall each pay one-half of any real estate transfer tax owing in respect of the transfer of the Premises.

6. **Representations and Warranties.**

   (a) Golf Club represents and warrants that it is the sole owner of the Premises and has the full right, power and authority to enter into this Agreement and to sell, convey and transfer the Premises in accordance with the terms of this Option Agreement.

   (b) Golf Club represents and warrants that no other person has been granted an option to purchase the Premises or is entitled to occupancy of the Premises other than Golf Club.
(c) Town represents and warrants that it has the full right, power and authority to enter into this Agreement and to purchase and take ownership of the Premises in accordance with the terms of this Option Agreement.

(d) Town represents and warrants that no real estate broker, salesman, finder or representative has shown the Premises to Town or initiated the sale of the Premises and Town will agree to indemnify, defend and hold Golf Club harmless from any claims or brokerage fees or commissions by any such person claiming to have dealt with Town.

7. Successors. This Option Agreement shall inure to the benefit of and be binding upon the heirs, administrators, executors, successors, personal representatives and assigns of the respective parties hereto.

8. Miscellaneous.

(a) Amendments. This Option Agreement shall not be modified or amended except by an instrument in writing executed by Golf Club and Town.

(b) Counterparts. This Option Agreement may be executed in any number of counterparts, each of which when so executed shall be an original; but such counterparts shall constitute but one and the same instrument.

(c) Governing Law. This Option Agreement shall be construed and enforced in accordance with the laws of the State of Maine.

(d) Section Headings. All section headings in this Option Agreement are for convenience only and are of no independent legal significance.

(e) Recording. Golf Club agrees to execute and acknowledge before a notary public, a Memorandum of Option in the form attached as Exhibit B, and deliver the same to Town for recording in the County in which the Premises are located.

(f) Entire Agreement. This Option and the Agreement constitute the entire understanding between Town and Golf Club and there are no agreements or understandings between the parties except as set forth therein.

(g) Extensions. Each party agrees to negotiate in good faith with the other party if such other party requests an extension of either the Expiration Date or the Closing Date under this Agreement provided that nothing herein shall limit the exercise by any party of any legal or contractual right accruing to it hereunder nor limit the right of such party to condition its agreement to such extension upon receipt of additional consideration.
(h) **Town’s Intended Use of Premises.** Golf Club acknowledges that Town’s intended use of the Premises is for use as a Parking Lot. Golf Club agrees to take no action during the term of this Option Agreement that could potentially interfere with, delay or make more costly any activities or transactions relating to Town’s permitting and construction of the forgoing facility.

9. **Effectiveness.** This Option Agreement is valid only when executed by both Golf Club and Town.

IN WITNESS WHEREOF, the said Great Chebeague Golf Club and Town of Chebeague Island have executed this Option effective on the date first written above.

*[SIGNATURE PAGE FOLLOWS]*
GREAT CHEBEAGUE GOLF CLUB

By: ________________________________ Date:
    Name Title

TOWN OF CHEBEAGUE ISLAND

By: ________________________________ Date:
    Name Title
EXHIBIT B
MEMORANDUM OF OPTION

GRANTOR: GREAT CHEBEAGUE GOLF CLUB

HOLDER: TOWN OF CHEBEAGUE ISLAND

DESCRIPTION OF PROPERTY: SEE ATTACHED EXHIBIT A

Grantor will not sell or otherwise convey this Property without complying with
the provisions of a certain EXCLUSIVE OPTION TO PURCHASE REAL PROPERTY of near
or even date between the parties.

DATED: March____, 2015

GREAT CHEBEAGUE GOLF CLUB
By: ____________________________
Its President

TOWN OF CHEBEAGUE ISLAND
By: ____________________________
Its Chair, Board of Selectmen

STATE OF MAINE
CUMBERLAND County
March__, 2015

Personally appeared the above-named ______________________, the President of
Great Chebeague Golf Club, and acknowledged the foregoing to be his/her free act
and deed in his/her said capacity.

Before me,

__________________________[Name]
Notary Public/Attorney at Law
EXHIBIT 1.6

EASEMENT DEED

The TOWN OF CHEBEAGUE ISLAND (“Grantor” or the “Town”), a municipal corporation with its mailing address of 192 North Road, Chebeague Island, Cumberland County, Maine 04017, grants to GREAT CHEBEAGUE GOLF CLUB, whose mailing address is 16 Stone Wharf Road, Chebeague Island, Cumberland County, Maine 04017 (“Grantee” or the “Golf Club”), the perpetual rights and easement for the limited purposes and uses and subject to the express terms and conditions set forth below (the “Easement”), across a limited portion of certain real property of Grantor as designated in the attached Exhibit A and as further illustrated in the attached Exhibit B (“Easement Area”), which is a portion of the Town’s real property located on the Stone Wharf in the Town of Chebeague Island, Maine, and more fully described in a deed recorded in the Cumberland County Registry of Deeds in Book ____, Page ____ (the “Burdened Premises”). This Easement is an easement in gross in favor of the Golf Club and is not an easement appurtenant to any real property currently owned by the Golf Club.

EASEMENT PURPOSE AND USES:

The Easement includes the perpetual right of the Golf Club to access the Burdened Premises described in Exhibit A for the limited purpose of maintaining and having the exclusive use of a golf tee within the Easement Area. Grantee may install, access, and maintain a concrete pad topped with artificial turf, not larger than 8 feet wide by 8 feet long, upon which the Grantee may place, access, and maintain a tee box serving the 7th hole of the Grantee’s golf course, as it exists as of the date of this conveyance. In the event the Grantor’s property requires maintenance, repair or reconstruction that requires movement of the tee box, the Grantor and the Grantee shall use their reasonable efforts to agree upon another location for the Easement to another location suitable on land of Grantor for continued play of the Golf Club’s 7th hole, and the tee box shall be relocated at the Golf Club’s expense. Grantee shall not allow any mechanic’s lien or other lien to be recorded against the Burdened Premises. The Grantee shall be solely responsible for all maintenance of the tee box.

As evidenced by Supplement C (statement from National Register of Historic Places), nothing in that designation will affect the terms of this Easement.

INDEMNIFICATION AND INSURANCE REQUIREMENTS:

The Easement is expressly conditioned on the requirement that the Grantee shall indemnify, defend and hold the Grantor harmless from any and all claims or liabilities arising out of or relating to the Grantee’s use of the Easement, including costs of enforcement and reasonable attorneys’ fees.
The Easement is also expressly conditioned on the requirement that the Grantee shall at all times maintain a policy of liability insurance endorsed to name the Grantor as an additional insured, with minimum combined policy limits of $2 million, which provides that the policy cannot be cancelled or reduced without 10 days’ notice to the Grantor. As a further condition of the Easement, except for Grantor’s wrongful acts or gross negligence, the Grantee shall release the Grantor from any liability or responsibility (to the Grantee or anyone claiming through or under the Grantee by way of subrogation or otherwise) for any loss or damage to any tangible property, or any resulting loss of income, or losses under any workers’ compensation laws and benefits, notwithstanding the fact that such loss or damage shall have been caused by the fault or negligence of any golfing guest, invitee, member. The Grantee shall include in the insurance policy a provision that such release shall not adversely affect the policy or prejudice any right to recover.

It shall be an express condition of the Easement that the Grantee, its successors or assigns, shall annually provide the Grantor with a certificate of insurance showing the required coverage and a copy of the declaration page of the policy and the additional insured endorsement.

TOWN’S RIGHT TO TERMINATE THE EASEMENT:

The Grantor or Grantor’s successor shall have the right to extinguish the Easement at any time in which Grantee fails to comply with the express conditions of the Easement. The Grantor or its successor may exercise its right to terminate this Easement by providing the Grantee at least 30 days written notice of the Grantor’s or Grantor’s successor’s intention to extinguish the easement for the reasons provided therein and then by recording a Notice of Termination of Easement in the Cumberland County Registry of Deeds that references this Easement Deed and states the reasons for termination.

Witness my hand this ____ day of ____________, 201__.

TOWN OF CHEBEAGUE ISLAND

BY: _________________________________
________________________________________
PRINT NAME
ITS: CHAIR, BOARD OF SELECTMEN
STATE OF MAINE ________, 201_
CUMBERLAND, SS

Now personally appeared before me the above-named ____________________, Chair, Board of Selectmen for the Town of Chebeague Island, and acknowledged the foregoing to be his/her free act and deed and the free act and deed for the Town of Chebeague Island.

NOTARY PUBLIC/ATTORNEY AT LAW

PRINT NAME:
SUPPLEMENT A TO EXHIBIT 1.1.1

[INSERT LEGAL DESCRIPTION OF VIEW EASEMENT]
SUPPLEMENT A TO EASEMENT DEED

[INSERT LEGAL DESCRIPTION OF TOWN’S STONE WHARF PARCEL]
SUPPLEMENT B TO EASEMENT DEED

[INSERT DRAWING OF TEE BOX ON STONE WHARF]
EXHIBIT 2.3

MUNICIPAL QUITCLAIM DEED

THE TOWN OF CHEBEAGUE ISLAND, a municipal corporation with its mailing address of 192 North Road, Chebeague Island, Maine 04017, releases to SARA ANNE HOLMBOM, WILLIAM LUND and LESLIE REALTY TRUST, individuals with a mailing address of 46 Wyoming Avenue, Portland, Maine 04103, the land located adjacent to Stone Wharf Road and more particularly described as follows:

[legal description of rectangular parcel of land to be prepared by licensed surveyor]

IN WITNESS WHEREOF the Town of Chebeague Island has executed this municipal quitclaim deed by __________, its duly authorized __________, this day of

TOWN OF CHEBEAGUE ISLAND

BY: [PRINT NAME]
ITS CHAIR, BOARD OF SELECTMEN—

STATE OF MAINE
COUNTY OF CUMBERLAND, SS.

On _________________, personally appeared the above-named, Chair, Board of Selectmen of the Town of Chebeague Island, and acknowledged the foregoing to be his/her free act and deed in his/her said capacity and the free act and deed of said Town of Chebeague Island.

Before me,

_____________________________________
Notary Public/Attorney-at-Law

_____________________________________
Printed Name
ADDENDUM

[INSERT ESCROW LANGUAGE FOR VIEW EASEMENT, TEE BOX, SEPTIC SYSTEM, AND SMALL PIECE OF LAND]